

**State of Hawai‘i
Department of Land and Natural Resources
Division of State Parks
Honolulu, Hawai‘i**

December 9, 2010

Board of Land and Natural Resources
State of Hawai‘i
Honolulu, Hawai‘i

Subject: Request Approval to Renew and Issue New Revocable Permits for Use of State Parks Lands on the Islands of Kaua‘i, O‘ahu, Maui, and Hawai‘i.

Statute: Sections 171-13 and -55, HRS, as amended.

Background:

The Division of State Parks (State Parks) annually requests Board approval to renew its existing month-to-month revocable permits in December in anticipation of the renewed permits taking effect on January 1 of the following year. Pursuant to §171-55, HRS, the Board may allow revocable permits to continue on a month-to-month basis for additional one-year periods.

With this submittal, State Parks is requesting the annual renewal of revocable permits approved by the Board at various meetings held in 2009 and 2010. Renew of revocable permits approved in 2010 is being sought now to synchronize the renewal of all State Parks revocable permits in December of each year. Some of these revocable permits are intended to be transitional in that they will eventually be replaced by concession leases, other long-term leases, or special use permits allowed under the 2009 State Parks administrative rule amendments.

All revocable permits under consideration by this submittal are listed in Exhibits “A” through “B”.

Discussion:

Annual Renewal Request for Revocable Permits:

The revocable permits requiring renewal include boat landing permits for commercial guided tours at Nu‘alolo Kai and Miloli‘i, Nāpali Coast State Wilderness Park and Kealahukua Bay State Historical Park; food, beverage and gift concessions at Wailua River

Marina and Hāpuna Beach; permits for the nonprofit use of recreation-residence and camp facilities and a food and lodging concession at Kōkeʻe and Waimea Canyon State Parks; a pasture permit at Kawainui Marsh State Park Reserve, and a residential permit at Puʻu ʻUalakaʻa (Exhibit “A”).

On Kauaʻi, six of the boat landing permits, three for kayak tours and three for Zodiac tours, were first executed in 2005 and have been renewed annually. As part of the Department’s broader efforts to assess existing and potential revenue sources, State Parks is proposing to raise the base and percentage rent of these commercial tours after consultation with the permittees and will return to the Board for approval of any new rent once this process is completed. We are also considering replacing these revocable permits with special use permits issued for commercial activities in accordance with the 2009 State Parks administrative rule amendments. The Land Board first approved revocable permits for boat landing permits at Kealakekua, Hawaiʻi Island, in June 2008 and the subsequently executed two revocable permits that have been renewed annually. Two others have been recently approved by the Board, and are not included in this request.

The food, beverage, and gift concessions at Wailua River Marina and Hāpuna Beach were previously operated under concession leases that expired. Subsequently, the operations continued under revocable permits executed in 2005 and have been renewed annually. State Parks intends to pursue long term concession leases for these properties through a public, competitive bid process when staff is available to complete the process.

After the expiration of their long-term leases, the Board approved issuing revocable permits in 2007 to five nonprofit organizations for the use of recreation-residence and camp facilities in the Kōkeʻe and Puʻu ka Pele Camp Lots, which have been renewed annually. One of the permittees voluntarily withdrew from their agreement earlier this year. State Parks placed priority on finalizing lease negotiations with the existing recreation-residence lessees in these camp lots and on the pending auction of vacant recreation-residences. Once the auction is completed, State Parks will turn its attention to finalizing twenty-year leases for the nonprofit organizations.

On Oʻahu, the use of 17 acres at Kawainui Marsh State Park Reserve for pasture purposes has been allowed continuously under a revocable permit first executed in 1993 and renewed annually by the Land Division and then by State Parks. An Executive Order transferring management and control of this 17 acre parcel to State Parks was issued in 2005. A residential permit at Puʻu ʻUalakaʻa was renewed annually by the Land Division. Responsibility for overseeing and renewing this revocable permit was transferred to State Parks this year. On March 4, 2010, State Parks entered into a revocable permit with a parking management firm to collect parking fees at Nuʻuanu Pali State Wayside after receiving Land Board authorization for the permit in August 2009. This is the first request for Land Board approval to renew this revocable permit.

Recommendations: That the Board:

1. Authorize State Parks to renew the revocable permits listed in Exhibit "A" and "B" on a month-to-month basis for a one-year period.
2. Approve such other terms and conditions as may be prescribed by the Chairperson to best serve the interest of the State.

Respectfully submitted,



DANIEL S. QUINN
State Parks Administrator

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN, Chairperson

EXHIBIT “A”
DIVISION OF STATE PARKS REVOCABLE PERMITS

Revocable Permits Approved by the Land Board and Subject to Renewal

RP #	Name of Permittees	Park	TMK	Character of Use	Leases Area (acres)	Current Rent (base or percentage)
SP-0044	Na Pali Kayak, Inc	Nāpali (Miloli'i), Kaua'i	(4) 1-4-001:07	Kayak Tours	N/A	\$5 per person, 5% of gross, which ever higher
SP-0045	Kayak Kauai	Nāpali (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Kayak Tours	N/A	\$5 per person, 5% of gross, which ever higher
SP-0046	Outfitters Kauai	Nāpali (Miloli'i), Kaua'i	(4) 1-4-001:07	Kayak Tours	N/A	\$5 per person, 5% of gross, which ever higher
SP-0004	Na Pali Zodiac Productions	Nāpali Coast SWP (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Zodiac Tours	N/A	\$5 per person, 5% of gross, which ever higher
SP-0005	Na Pali Sea Tours	Nāpali Coast SWP (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Zodiac Tours	N/A	\$5 per person, 5% of gross, which ever higher
SP-8701	Lady Ann Cruises	Nāpali Coast SWP (Nu'alolo Kai, Miloli'i), Kaua'i	(4) 1-4-001:07	Zodiac Tours	N/A	\$5 per person, 5% of gross, which ever higher
SP-0001	Wailua Marina Restaurant	Wailua River SP (Marina), Kaua'i	(4) 3-9-04:9	Food, Beverage, Gift Concession	1058 sq ft	\$200 per month, 10% of gross, which ever is higher
SP-0003	Big Save, Inc.	Wailua River SP (Marina), Kaua'i	(4) 3-9-04:10	Concession (Food)	7832 sq ft	\$200 per month, 10% of gross, which ever is higher
SP-0189	Ka Imi Naaauo o Hawaii Nei	Waimea Canyon SP, Kaua'i	(4) 1-4-002:20	Nonprofit Camp	1.0 ac.	\$2,520.00 annually
SP-0191	Hawaii Conference Church	Kōke'e SP, Kaua'i	(4) 1-4-004:027 a, b	Nonprofit Camp	.50 ac.	\$132.00 annually
SP-0192	Hawaii United Methodist	Waimea Canyon SP, Kaua'i	(4) 1-4-002:024	Nonprofit Camp	3.05 ac	\$132.00 annually
SP-0193	Kauai Christian Fellowship	Waimea Canyon SP, Kaua'i	(4) 1-4-002:041	Nonprofit Camp	.99 ac	\$2,520.00 annually
SP-6843	Wesley & Joan Cash	Kawainui Marsh SPR, Oahu	(1) 4-2-013:10	Pasture	17 ac	\$858.00 annually
SP-0052	Sukhothai Corp	Waimea Canyon	(4) 1-2-001:3	Food Concession	N/A	\$2,500 per month
SP-6610	Rick Ralston	Pu'u 'Ualaka'a	(1) 2-5-019:4	Residential	22.08 ac	7,248.00 annually
SP-0068	Diamond Parking	Nu'uauu Pali SW	(1) 2-2-054:1	Parking Fee Collection	N/A	

EXHIBIT “A” (CONTINUED)
DIVISION OF STATE PARKS REVOCABLE PERMITS

Revocable Permits Approved by the Land Board and Subject to Renewal

SP-0047	Paradise Shrimp & Burger (Curtis K. Hong)	Diamond Head SM	(1) 3-1-042:6	Food and Beverage Concession	N/A	\$7,200 per month
SP-0041	Pepsi Bottling Group	Diamond Head SM	(1) 3-1-042:6	Concession	N/A	\$520 per month + 45.5% Drinks, 30% Gatorade of gross receipts
SP-0058	Erlinda Molina Villanueva	Kahana SP	(1) 5-2-002:1 (por)	Agriculture	6 ac	\$90 per month
SP-0022	Maui Soda & Ice Works, Ltd.	Waianapanapa	(2) 1-3-05:9	Concession	N/A	\$100 per month or 35% of gross monthly receipts
SP-0050	Island Inspirations LLP	Makena SP	(2) 2-1-06:53	Food and Beverage Concession	N/A	\$800 per month
SP-0056	SMCA, Inc.	Hāpuna Beach SRA	(3) 6-6-002:35	Food and Beverage Concession	375 sq ft (building) 15,000 sq ft (land area)	\$1200 per month or 8% of gross, whichever is higher
SP-0063	Hawaii Pack and Paddle	Kealahakua Bay SHP	(3) 8-1-011:1,6,10,11 (por)	Kayak Tours	N/A	\$5 per person
SP-0064	Adventures in Paradise, LLC	Kealahakua Bay SHP	(3) 8-1-011:1,6,10,11 (por)	Kayak Tours	N/A	\$5 per person

EXHIBIT “B”
DIVISION OF STATE PARKS REVOCABLE PERMITS

RP#: SP-0039
Name of Permittee: The Lodge at Kokee LLC
Character of Use: Concession for Food, Lodging, and Gifts
Total Lease Area: 2,786 ac.
Current Rent: 4% of gross profits (gross sales less cost of goods sold)
Trust Land §5(b): Yes

Property Details:

Name of Improvements Subject to Revocable Permit	Character of Use	TMK	Lot	Facility	Land Area
Kōke'e Inn (The Lodge at Kōke'e)	Concession (Food, Gift Shop, Camping and Fishing Equipment Rentals)	(4) 1-4-004: 73	A	4,028 sq ft	0.131 ac.
Kanaloahuluhulu Ranger Station and Access Easement A	Residence for Concession and Cabin Rental Manager	(4) 1-4-001: 13 (por.)	D	1,810 sq ft	0.045 ac
Lot C					
Kauila Cabin	Cabin Rentals	(4) 1-4-004: 74	C	625 sq ft	
Lehua Cabin	Cabin Rentals	(4) 1-4-004: 74	C	618 sq ft	
Maile Cabin	Cabin Rentals	(4) 1-4-004: 74	C	331 sq ft	
'Iliahi Cabin	Cabin Rentals	(4) 1-4-004: 74	C	676 sq ft	
Total					1.254 ac
Lot E					
Olopuu/Hala Duplex Cabin	Cabin Rentals	(4) 1-4-004: 76	E	1,110 sq ft	
Kuku'i/Koa Duplex Cabin	Cabin Rentals	(4) 1-4-004: 76	E	1,110 sq ft	
Total					0.714 ac
Lot F					
Kōlea Cabin	Cabin Rentals	(4) 1-4-004: 76	F	624 sq ft	
Naio Cabin	Cabin Rentals	(4) 1-4-004: 76	F	624 sq ft	
'Ohe'ohe Cabin	Cabin Rentals	(4) 1-4-004: 76	F	568 sq ft	
'Ōlapa Cabin	Cabin Rentals	(4) 1-4-004: 76	F	568 sq ft	
Total					0.642 ac